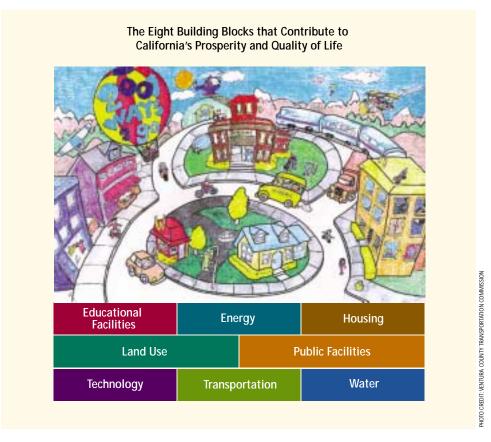
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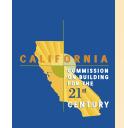
The Eight Building Blocks of California Infrastructure

The Building Blocks

The Commission focused on eight key elements of a comprehensive infrastructure plan and the report is organized to address each of them specifically. We recognize, however, that these are interconnected systems, and that planning and investing for each of them must be done with optimum coordination and integration.



Andrea Landeros, First Place 8th Grade, 2001 Poster Contest Winner, Ventura County Transportation Commission



Current Issues and Strategic Options

The following sections of the report present a summary of the key issues relevant to each infrastructure category and recommended implementation strategies and options. Because the task is so large, the Commission has chosen to highlight a very focused set of issues and strategies as a starting point for the State's proposed investment strategy, recognizing that other priorities will emerge in the future. Each section presents:

GOAL FOR 2020-what we hope to achieve over the next 20 years

TODAY'S ISSUES – a distillation of the key issues assessed by the Commission

SOME CALIFORNIA FACTS – a snapshot of the status of infrastructure conditions, our needs and some planning assumptions

ACTIONS TAKEN – examples of some important initiatives that are underway as a result of actions or investments by the Governor, the Legislature and other partners; these are not all-inclusive but illustrative of the many steps taken over the past few years to address our infrastructure deficits and prepare for the future

INVESTING FOR CALIFORNIA'S FUTURE – priorities and opportunities the Commission identified for meeting our needs

RECOMMENDED OPTIONS – the proposed near-term and long-term strategies to address our urgent issues and future needs

CASE STUDIES – examples of specific best practices and innovative approaches to problem solving that are being used in California and elsewhere that support the proposed strategies and provide information resources





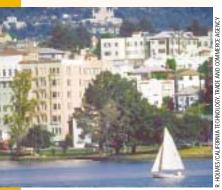


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LOCAL GOVERNMENT COMMISSION

"We must foster policies and initiatives that make these infrastructure building blocks work together.
The new millennium home, for example, must be affordable, energy-efficient, technology-enabled and close to mass transportation.
Our thinking must be as integrated as our lives."

Maria Contreras-Sweet Commission Chair Secretary, California Business, Transportation and Housing Agency



Lake Merritt, Oakland, California



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Transit-oriented development, North Hollywood, California

Crosscutting Strategies

In the following sections, policy and implementation strategies are identified for each of the eight building blocks, organized by type of strategy—financing and fiscal policy, improved planning, barrier removal, and improved implementation and use. These strategies have been developed within the framework of the Guiding Principles for infrastructure development. Many of the strategies and the underlying issues are common across the categories and they are summarized as follows:

FINANCING AND FISCAL POLICY

- · Aggressively invest to reduce maintenance backlogs.
- Use debt financing or pay-as-you-go methods appropriate to the particular investment requirements of specific infrastructure systems, linked to the ability of taxpayers or fee-payers to support the systems from which they will benefit.
- Use new or reformed state fiscal policy incentives to influence the behavior of local governments, regional agencies, and the private sector to achieve better use of resources and more sustainable patterns of development.
- Improve the ability of the Legislature and voters to use the full range of fiscal tools needed, including reduced super-majority vote thresholds.

IMPROVED PLANNING

- Develop statewide goals and guidelines for all specific infrastructure areas.
- Provide incentives for communities to link their planning with statewide, regional and other local planning efforts.
- Tie State funding incentives to implementation of these integrated regional plans.
- Improve data sources and tools needed for planning and management of infrastructure systems.
- Utilize lifecycle costing and management as the basis for capital planning, closely tied to AB 1473 (Assemblymember Robert M. Hertzberg) the State Five-Year Capital Budget Planning process.

BARRIER REMOVAL

- Systematically audit and refine government practices to ensure they produce the desired outcome.
- Review regulatory requirements to ensure applicability to today's infrastructure needs.

- Streamline the entitlement process to reduce the time and cost required to build needed infrastructure such as housing, energy, public facilities, and transportation, especially when expanding current facilities or building in existing communities.
- Create fair markets and regulatory conditions to protect consumers and encourage private sector investment.

IMPROVED IMPLEMENTATION AND USE

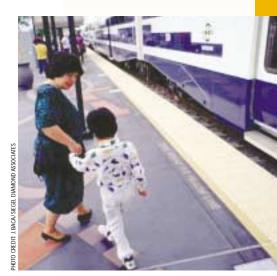
- Use technology and innovation to reduce the need for additional physical facilities or capacity.
- Use modern asset management strategies that optimize use, maintenance and improvement of existing infrastructure.
- Use non-building strategies, where efficient, to ensure future flexibility to meet new needs and enable adoption of new technologies and innovative techniques and practices.
- Increase the efficiency of facilities through joint-use and mixed-use techniques.
- Improve operational efficiency of facilities and sites, through "green" planning, building and site design and high-performance systems.

In addition, link funding, incentives, and policy options where appropriate, to criteria that will help California move toward a more sustainable economic prosperity and quality of life. The State has been applying this linkage in major programs such as the California Infrastructure and Economic Development Bank, consistent with best practices in other states and regions. Some elements could include:

- Better use of land and resources, including existing infrastructure
- Livable communities objectives
- Collaborative regional plans
- Integrated approaches across infrastructure systems, such as transit-oriented and mixed-use development
- Compliance with State General Plan Guidelines
- Improved environmental quality
- Improvements for economically disadvantaged areas

"Partnerships with the federal, State and local government provide tools for diversification and financial support for cities such as Orange Cove. This spirit of cooperation and support creates opportunities for jobs, housing, infrastructure development and economic advancement for those people who live and work in our city. Our partners also include the Tule Indian Tribe. With this support, we were able to develop our new wastewater treatment facility. With the support of the Business, Transportation and Housing Agency, we provided housing for farmworker families that make up 90% of our community. Working together, nothing is impossible."

> Victor P. Lopez Mayor, City of Orange Cove



"Danza Indigenas" public art at the Metrolink station in Baldwin Park, California